

Frequently Asked Questions (FAQs) about the Regulation 6.150 Bankroll Formula

Note: The guidance in this document applies to specific sets of facts and cannot necessarily be applied to another situation without further consideration. Licensees who desire a ruling as to whether the guidance herein or a specific section of the regulation applies to their circumstances should direct a written request for an advisory ruling to the Chairman of the State Gaming Control Board ("Board").

Corporate Treasury Waivers

- A1. Once the Board has issued a waiver to allow the use of corporate cash accounts to fund bankroll shortfalls, can the allocation of the corporate cash among casinos be subsequently changed to address increases and decreases in the various casinos' bankroll shortfalls?**

Yes, but only with prior approval. If the licensee determines that the allocations originally approved do not adequately cover the deficiencies that would otherwise exist, the licensee should seek approval for new allocations. Otherwise, each licensee with a deficiency under the current allocation would be in noncompliance. (Posted 2/1/07)

- A2. Can corporate lines of credit be used in lieu of cash accounts?**

Yes, with prior approval. However, the specific line(s) and amounts dedicated and the allocation to each property must be disclosed to the Board. The allocated amount must be used by each licensee when calculating the monthly bankroll computation.

Internal audit must confirm the availability and sufficiency of the allocated credit line(s) during their annual compliance testing procedures. (Posted 2/1/07)

Bankroll Computation Frequency Waivers

- B1. Is the Board considering waivers of the monthly bankroll computation requirement? Will annual computations be allowed?**

Currently, the Board is considering waivers for quarterly computations only, and for good cause. (Posted 2/1/07)

B2. What constitutes “good cause”?

Typically, good cause may be deemed to exist when the bankroll routinely maintained substantially exceeds the minimum amount required by regulation and an acceptable compliance history is maintained with the Board. Less stringent guidelines will be applied to the definition of “substantially exceeds” when a corporate line of credit is used to satisfy the requirements and/or a corporate treasury waiver has been granted.

In order to be considered for a waiver of the monthly computation requirement, each licensee must include with the waiver request three successive monthly bankroll computations. (Posted 2/1/07)

“On Hand” Bank Balance Waivers

C1. Under what circumstances would a waiver be granted to include cash in bank in the total “on hand” cash available figure?

Typically, a waiver would be granted if the licensee pays a substantial portion of their jackpots with checks. If a waiver has not been granted, line 5(a) of the bankroll spreadsheet should be left blank. (Posted 2/1/07)

Compliance

D1. What is the compliance date of the bankroll requirements?

Licensees were expected to be in full compliance with the new bankroll requirements as of June 26, 2006. All licensees have been required to accurately compute the bankroll requirement and available bankroll monthly since the effective date. Although not required to be submitted, evidence of the monthly computation and supporting documentation must be maintained and be made available for inspection by Board agents for five years following the applicable bankroll computation date. An electronic spreadsheet has been developed for this purpose. (Posted 2/1/07)

D2. Where can I get a copy of the electronic spreadsheet?

The spreadsheet is available at www.gaming.nv.gov/bankroll_formula.htm. Completed bankroll spreadsheets can be stored in electronic form provided the electronic records are indexed in a manner that permits prompt retrieval. The most current version of the spreadsheet (dated February 23, 2006) should be used. (Posted 2/1/07)

D3. Does the bankroll calculation have to be performed on the same day each month?

No; however, regardless of when the calculation is performed, a sufficient bankroll is required to be maintained at all times in order to be in compliance with Regulation 6.150. (Posted 2/1/07)

D4. Should internal audit be performing the monthly bankroll calculation?

Internal audit should not perform the monthly computations because they are required to perform an independent, annual verification of the calculations. (Posted 2/1/07)

Bankroll Computation Issues

E1. Are licensees subject to both an “on hand” requirement and a “next business day” requirement?

Yes. “On hand” generally means cash readily available on the business premises for immediate use. This requirement can be met with currency only. The “next business day” requirement is fulfilled with the on hand amounts plus all items that could be converted to currency by the end of the next business day. This would include, but is not limited to, the following items: coin, personal checks, payroll checks, cashier’s checks, traveler’s checks, foreign currency, foreign chips / tokens, and bank balances. (Posted 2/1/07)

E2. Can the currency in slot machine currency acceptor boxes scheduled to be dropped the next day be included in the cash in cage for the next business day?

No. Until such time as the count has been completed and the funds have been accepted into cage accountability, funds in slot machines cannot be counted toward cash in cage. (Posted 2/1/07)

E3. If the nature of customer deposits (e.g., cash, chips, checks) cannot be determined, how much should be deducted from the on hand and next business day cash in cage?

If the nature of customer deposits cannot be determined, then all deposits should be deducted from both on hand and next business day available cash. It is not necessary to reduce cash in cage (on hand or next business day) by the amount of deposits made in anything but cash unless the nature of customer deposits cannot be determined. If the nature of customer deposits can be determined, only amounts that were included in

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cash in cage (on hand or next business day) need to be deducted as customer deposits. The guiding principle is to ensure that the net cash in cage figure in both columns excludes amounts owed to customers. However, as indicated in FAQ E18, a different policy applies to race and sports wagering accounts. (Revised 12/7/09)

E4. Should a negative number be entered for customer deposits in the bankroll computation spreadsheet?

No. The deduction of customer deposits from the cash balance has already been built into the spreadsheet's formula. If a negative number is entered, then customer deposits are actually added to the available cash. (Posted 2/1/07)

E5. If a cash excess exists without including any cash maintained on the casino floor, can lines 4(a) and 4(b) in the bankroll computation spreadsheet be left blank?

Yes. However, we suggest making some kind of notation to this effect rather than just leaving these lines blank. (Posted 2/1/07)

E6. If a cash excess exists without including the next business day bank balance, can line 5(b) in the bankroll computation spreadsheet be left blank?

Yes, unless the next business day bank balance is negative. A negative bank balance must be subtracted from the cash available figure. If line 5(b) is left blank, documentation must be available to support a positive bank balance. (Posted 2/1/07)

E7. What number should be used for gross gaming revenue?

The adjusted gross gaming revenue, as reported on the NGC-1 tax returns, for the casino's most recent business year should be used for this purpose. (Posted 2/1/07)

E8. How do designated Group I licensees not meeting the gross revenue threshold per Regulation 6.010(5) complete the automated spreadsheet?

In order to compute accurate slots and games requirements, licensees not meeting the Group I gross revenue threshold per Regulation 6.010(5) but who have been designated Group I licensees, should use the minimum threshold amount (i.e., \$5,130,000 as of 7/1/06) for gross gaming revenue. (Posted 2/1/07)

E9. Should there be a separate cash requirement line item for the liability associated with uncashed TITO vouchers?

No. The liability for the vouchers is the same as any other slot machine payouts. Therefore, this is already included in the per slot machine requirement. (Posted 2/1/07)

E10. What numbers should be used for the number of slot machines and table games requirements?

The number of slot machines and tables reported on the most recently filed monthly NGC-31 tax return should be used in completing the worksheet. (Posted 2/1/07)

E11. How should mini-baccarat and midi-baccarat be treated?

Mini-baccarat should be included with other table games and midi-baccarat should be included with baccarat. (Posted 2/1/07)

E12. Where should poker bad beat jackpot amounts be disclosed?

The poker bad beat progressive jackpot should be disclosed as a card game progressive at line 18(c) in the bankroll computation spreadsheet. (Posted 2/1/07)

E13. What types of progressives should be disclosed as “other progressives” at line 18(d) in the bankroll computation spreadsheet?

“Other progressives” are miscellaneous progressives (e.g., progressive keno payouts, progressive bingo payouts, etc.), that are not disclosed as a separate line item, as are progressives in slots, race and sports, and table and card games at lines 18(a) – 18(c) in the bankroll computation spreadsheet. (Posted 2/1/07)

E14. If a licensee offers a jackpot or a payout where there is an agreement with another party to fund and/or pay the jackpot/payout or a portion of it, does the licensee have to include this on its bankroll computation?

No. However, this will require a Regulation 6.150(6) waiver to allow a jackpot or payout that is offered by a licensee to not be included on its bankroll requirement. (Posted 4/6/09)

E15. Must contest/tournament entry fees be included in the “contest/tournament payout liability” figure at line 18(e) in the

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bankroll computation spreadsheet if the entry fees are nonrefundable?

Yes. Until the contest/tournament begins, all entry fees collected must be included. After the contest/tournament begins, entry fees are no longer included, but all payout commitments must be included. If payouts are awarded over time, the requirement would be reduced as the payouts are made. (Posted 2/1/07)

E16. For multi-property contests/tournaments (18e) and miscellaneous promotions (18f) where the payout(s) could be made at any of the properties, does each property have to record the entire liability in each property's bankroll requirement?

No. Each property can include a reasonable allocated amount in their bankroll requirement. The percentage of entry fees for contests or tournaments or a percentage of gross gaming revenue for miscellaneous promotions would be considered reasonable. Consideration could also be given to allocating an equal amount to each property. The entire obligation can also be included with one of the properties, if they are responsible for bankrolling the contest, tournament or promotion, or if it is otherwise deemed reasonable. (Posted 4/6/09)

E17. For "miscellaneous promotions" at line 18(f) in the bankroll computation spreadsheet, does an amount have to be entered when the total of all payouts for one promotion exceeds the applicable threshold but the highest single payout does not?

No. The applicable threshold in the look-up table applies only to the highest single payout. (Posted 2/1/07)

E18. Where and in what amount should the Regulation 22.040 race and sports liability be recorded?

100% of the liability calculated pursuant to Regulation 22.040(1) should be disclosed as the "Regulation 22.040 liability" at line 18(g) in the bankroll computation spreadsheet, regardless of any reserve maintained or waivers received. The liability is not offset by any reserve amounts maintained because reserved funds are typically not in the form of currency on hand, nor are they convertible to currency by the next business day. Also note that, a component of the "Regulation 22.040 liability" is "amounts held by the book for the account of patrons", this liability is to be included in line 18g as indicated above, do not include any of this liability in lines 2(a) or 2(b), which relate to cage customer deposits. (Revised 12/7/09)

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